

Grimes, Celina A.

From: Shannon, Joseph
Sent: Friday, April 11, 2025 12:02 PM
To: Grimes, Celina A.
Subject: FW: Email confirmation of intent to Pay accumulated Tariffs
Attachments: image011.png; image009.png; image001.png; image961098.png; image698986.png; image485454.png; image202631.png; image435166.png; image614164.png; image013.png; image014.png; image015.png; image016.png; image017.png; image018.png; Cumulative Tariff Cost and New Pricing.pdf

Joseph J. Shannon
313-393-7549
JShannon@BODMANLAW.COM

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ATTORNEYS & COUNSELORS

From: Bowen, Gene <GBowen@BODMANLAW.COM>
Sent: Tuesday, April 8, 2025 4:27 PM
To: Shannon, Joseph <JShannon@BODMANLAW.COM>
Subject: FW: Email confirmation of intent to Pay accumulated Tariffs

Gene P. Bowen
201 W. Big Beaver | Suite 500 | Troy MI 48084
o: 248-743-6067 | GBowen@BODMANLAW.COM

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From: Jim Reder <jreder@jacprod.com>
Sent: Friday, April 4, 2025 6:17 PM

To: Bowen, Gene <GBowen@BODMANLAW.COM>
Subject: Fwd: Email confirmation of intent to Pay accumulated Tariffs

CAUTION: External Sender.



Jim Reder
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From: Mark Schulte <mark.schulte@pangeo.com>
Date: April 4, 2025 at 5:54:18 PM EDT
To: Jim Reder <jreder@jacprod.com>
Cc: Eduardo Cano <ecano@jacprod.com>, Lisa Liu <lliu@jacprod.com>, Carlos DaSilva <carlos.dasilva@pangeo.com>
Subject: Re: Email confirmation of intent to Pay accumulated Tariffs

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Jim,

I was able to meet with Pangeo management this afternoon and reviewed your e-mail with them.

Pangeo does to agree to the changes to our offer that you suggest in your email below.
Our offer stands as I provided it on March 13, 2025. (see attached).

Pangeo will resume shipping when we receive new P.O.s for the product that JAC has released for Wednesday, April 9, 2025.

If JAC chooses the lower Ex works option (referred to as "Prices per FOB GTA" in your chart below), JAC must arrange for and pay for Transit and Tariffs directly. Under this new

agreement, Pangeo will not participate going forward in any split due to tariffs. This is the benefit to Pangeo for the extreme savings JAC will gain from our proposal.

The other option is for the P.O.s to be issued at the higher DDP pricing arrangement (see attached) that we currently use.

These P.O.s must not be retroactively dated for the lower priced Ex works option.

Regarding the accumulated costs:

On February 14th, Pangeo raised this concern, in writing, to JAC Purchasing advising of the growing tariff deficit and anticipated total based on a very reasonable March 31, 2025 dead line.

At that writing the accumulated total was \$11,481.44 and the anticipated total was \$46,509.47 based on JAC forecasts if left to grow to the deadline. This has now reached \$62,000 after our in-good-faith shipment of Wednesday, April 2nd.

Since our first letter was issued about two weeks after the first tariff increase, Pangeo will agree to a 50/50 split for that and take responsibility for \$5,740.72. Any additional accumulation after that is due to JAC not responding to the situation and is not Pangeo responsibility.

This payment must be secured prior to the next shipment of parts.

Lastly, regarding any suggested action by JAC for Pangeo to pursue US Customs to recoup any previously assessed tariffs, this is believed to be an unethical practice that Pangeo cannot take part in.

I look forward to your response and our future successes together,

Mark

Mark Schulte
www.pangeo.com

Sales Manager

Pangeo Group

3000 Temple Drive

Windsor, ON N8W 5J6

c: (248) 459-2454

From: Mark Schulte <mark.schulte@pangeo.com>
Sent: Friday, April 4, 2025 11:00 AM
To: Jim Reder <jreder@jacprod.com>
Cc: Eduardo Cano <ecano@jacprod.com>; Lisa Liu <lliu@jacprod.com>
Subject: Re: Email confirmation of intent to Pay accumulated Tariffs

Hi Jim,

I received this and will be meeting with my management this afternoon to review it.

Mark

From: Jim Reder <jreder@jacprod.com>
Sent: Friday, April 4, 2025 8:57 AM
To: Mark Schulte <mark.schulte@pangeo.com>
Cc: Eduardo Cano <ecano@jacprod.com>; Lisa Liu <lliu@jacprod.com>
Subject: RE: Email confirmation of intent to Pay accumulated Tariffs

Hello Mark,

Thanks for the discussion yesterday. Again, we are committed to getting new PO's in place to Pangeo on a go-forward basis... we need to have that in place before the next shipment needs to leave Pangeo Canada.

Summary of our discussion:

Topic One – tariffs already paid by Pangeo in February, March and April.

- JAC will issue PO's to Pangeo @ the FOB price retroactive to Feb 1, in order to put Pangeo in a position to recover some of the tariff "overpaid" on the "January 2025 DDP" price. We know it's a tough task, but Pangeo needs to try to get that recovery going.
 - The offer from JAC is still on the table to split the tariffs paid from Feb 1- April 2, but Pangeo must do its part to fix the pricing/tariffs paid to US customs and reclaim as much tariff paid (overpayment) as possible. This will only reduce the amount that JAC and Pangeo will split, according the agreement. (50/50 on tariffs).

Topic Two

- On a go-forward basis, JAC and Pangeo agree to align on the following:
 - We will continue follow the guidelines in the agreement:
 - However, JAC will update its PO's to Pangeo to reflect the FOB prices listed below, "ASAP". (see blue arrow)
 - Pangeo will remain the importer of record and ship to JAC Franklin. (JAC will investigate updated freight costs with our 3PL, in order ensure lowest cost freight). JAC will either reimburse Pangeo as we do today, or see if JAC can be billed by our 3PL. Either way, this is cost neutral to Pangeo.
 - JAC and Pangeo would agree to a separate monthly invoice to compensate Pangeo for the tariffs that it would pay, based on quantities received at JAC Franklin.

- Assuming that the tariffs remain at 48%, JAC and Pangeo agree to ensure that Pangeo would be compensated in full equivalent to the price per piece in the column with the green arrow below.
- If further tariffs come into play (or reduce), we will follow the agreement and adjust accordingly – splitting the tariffs above 28%.

Jim Reder

Vice President, Purchasing

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From: Mark Schulte <mark.schulte@pangeo.com>
Sent: Thursday, April 3, 2025 11:05 AM
To: Jim Reder <jreder@jacprod.com>
Cc: Lisa Liu <lliu@jacprod.com>; Megan Yinger <mschattle@jacprod.com>; Eduardo Cano <ecano@jacprod.com>; Carlos DaSilva <carlos.dasilva@pangeo.com>; Stephen Han <stephen.han@pangeo.com>
Subject: Re: Email confirmation of intent to Pay accumulated Tariffs

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Jim,
I do not follow your logic, Let us discuss at 4:30 today.
Mark

From: Jim Reder
Sent: Thursday, April 3, 2025 9:56 AM
To: Mark Schulte
Cc: Lisa Liu; Megan Yinger; Eduardo Cano; Carlos DaSilva; Stephen Han
Subject: RE: Email confirmation of intent to Pay accumulated Tariffs

Mark,

We will issue Pangeo PO's that are retroactive to Feb 1 at the lower cost, so you can recover the "extra" amount. This will significantly reduce the impact.

Regards,

Jim

Jim Reder
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From: Mark Schulte <mark.schulte@pangeo.com>
Sent: Thursday, April 3, 2025 9:28 AM
To: Jim Reder <jreder@jacprod.com>
Cc: Lisa Liu <lliu@jacprod.com>; Megan Yinger <mschatzle@jacprod.com>; Eduardo Cano <ecano@jacprod.com>; Carlos DaSilva <carlos.dasilva@pangeo.com>; Stephen Han <stephen.han@pangeo.com>
Subject: Re: Email confirmation of intent to Pay accumulated Tariffs

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Hello Jim,

Thank you for your timely response.

I would like to clarify that Pangeo is not satisfied with the 50/50 split of the \$52,800 because Pangeo provided a cost reduction plan several weeks ago that would have mitigated this amount greatly had it been acted upon earlier.

With your acknowledgement to work to an understanding on this, we did ship the Releases for this week yesterday and look forward to closing on this topic this week.

Mark

Mark Schulte
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From: Jim Reder
Sent: Wednesday, April 2, 2025 11:24 AM
To: Mark Schulte
Cc: Lisa Liu; Megan Yinger; Eduardo Cano
Subject: RE: Email confirmation of intent to Pay accumulated Tariffs

Hello Mark,

Per our discussion, JAC agrees to work with Pangeo to honor the agreement we have in place, back to the implementation of the 2025 tariffs.

If there are ways to reduce the total amount, JAC and Pangeo agree to pursue those options to make a win-win. At the moment, JAC and Pangeo would agree (per the agreement) to split the \$52K amount that we discussed today.

JAC will work to come back to Pangeo with a way forward – targeting the end of this week.

Regards,

Jim

Jim Reder

Vice President, Purchasing

Corporate Office

[<image013.png>](#)

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From: Mark Schulte <mark.schulte@pangeo.com>

Sent: Wednesday, April 2, 2025 11:16 AM

To: Jim Reder <jreder@jacprod.com>

Subject: Email confirmation of intent to Pay accumulated Tariffs

You don't often get email from mark.schulte@pangeo.com. [Learn why this is important](#)

Caution: This email originated from outside JAC Products. Do not click links or open attachments unless you recognize the sender and believe the content is safe.

Hi Jim,

Please provide me the email as agreed to.

As discussed, I need this to keep shipments moving.

Mark

Mark Schulte

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